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unit cost of \$5000 or more have the prior approval of AMS.

(g) Rental costs of buildings and equipment are allowable as direct costs in accordance with the cost principles in subpart T of 7 CFR part 3015.

[73 FR 51589, Sept. 4, 2008, as amended at 74 FR 13317, Mar. 27, 2009]

§ 1291.6 Completed application.

Completed applications shall be clear and succinct and shall include the following documentation satisfactory to AMS.

(a) One SF-424 “Application for Federal Assistance”.

(b) SF-424A “Budget Information—Non-Construction Programs” showing the budget for each project.

(c) One SF-424B “Assurances—Non-Construction Program”.

(d) Completed applications must also include one State plan to show how grant funds will be utilized solely to enhance the competitiveness of specialty crops. The State plan shall include the following:

(1) *Cover page and granting processes.* Include the point of contact and lead agency for administering the plan. Provide a description of the affirmative steps taken to conduct outreach to socially disadvantaged farmers and beginning farmers. Describe how these groups were identified and the methods used to reach out to them. Identify if an award was made to either a socially disadvantaged farmer or a beginning farmer. If steps were not taken to conduct outreach to these groups, provide a justification for why not. Provide a description of the affirmative steps taken to conduct a competitive grant process. Include the steps taken to conduct outreach to specialty crop stakeholders to receive and consider public comment to identify their priority needs in enhancing the competitiveness of specialty crops. Identify the methods used to solicit proposals that meet specialty crop stakeholders’ needs, including any focus on multi-state projects. Include a description of the process used to review proposals in a fair and equitable manner. State departments of agriculture may also provide a copy of the issued request for proposals. If a competitive grant proc-

ess was not used, provide a justification why not.

(2) *Project title and abstract.* Include the title of the project and an abstract of 200 or fewer words for each project.

(3) *Project purpose.* For each project, clearly state the purpose of the project. Describe the specific issue, problem, interest, or need to be addressed. Explain why the project is important and timely. If funding is being directed at a state marketing program, describe how the state will ensure that funding is being used solely to enhance the competitiveness of specialty crops as defined in § 1291.2(n). If a project builds on a previous Specialty Crop Block Grant Program (SCBGP) or SCBGP-FB project, indicate clearly how the new project compliments previous work. For each project, indicate if the project will be or has been submitted to or funded by another Federal or State grant program.

(4) *Potential impact.* Discuss the number of people or operations affected, the intended beneficiaries of each project, and/or potential economic impact if such data are available and relevant to the project.

(5) *Expected measurable outcomes.* For each project, describe at least one distinct, quantifiable, and measurable outcome-oriented objective that directly and meaningfully supports the project’s purpose. The measurable outcome-oriented objective must define an event or condition that is external to the project and that is of direct importance to the intended beneficiaries and/or the public. Outcome measures may be long term that exceed the grant period. Describe how performance toward meeting outcomes will be monitored. For each project, include a performance-monitoring plan to describe the process of collecting and analyzing data to meet the outcome-oriented objectives.

(6) *Work plan.* For each project, explain briefly the activities that will be performed to accomplish the objectives of the project. Be clear about who will do the work. Include appropriate time lines.

(7) *Budget narrative.* The limit on indirect costs, not to exceed 10 percent, will be published in a FEDERAL REGISTER notice each fiscal year. Provide a

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justification if indirect costs exceed 10 percent or exceed that fiscal year's limit as announced in the FEDERAL REGISTER. Provide in sufficient detail information about the budget categories listed on SF-424A for each project to demonstrate that grant funds are being expended on eligible grant activities that meet the purpose of the program.

(8) *Project oversight.* Describe the oversight practices that provide sufficient knowledge of grant activities to ensure proper and efficient administration for each project.

(9) *Project commitment.* Describe how all grant partners commit to and work toward the goals and outcome measures of each proposed project(s).

(10) *Multi-state projects.* If the project is a multi-state project, describe how the states are going to collaborate effectively with related projects with one state assuming the coordinating role. Indicate the percent of the budget covered by each state.

[74 FR 13317, Mar. 27, 2009]

§ 1291.7 Review of grant applications.

(a) Applications will be reviewed and approved or rejected as appropriate for conformance with the provisions in § 1291.6 of this part. AMS may request the applicant provide additional information or clarification.

(b) Incomplete applications as of the deadline for submission will not be considered.

§ 1291.8 Grant agreements.

(a) After approval of a grant application, AMS will enter into a grant agreement with the State department of agriculture.

(b) AMS grant agreements will include at a minimum the following:

(1) The projects in the approved State plan.

(2) Total amount of Federal financial assistance that will be advanced.

(3) Beginning and end dates of the grant agreement period.

(4) Terms and conditions pursuant to which AMS will fund the project(s).

§ 1291.9 Unobligated funds.

(a) States who do not apply for or do not request all available funding during the specified grant application pe-

riod will forfeit all or that portion of available funding not requested for that application year.

(b) Funds not obligated will be allocated, by a date as determined by the Secretary, pro rata to the remaining States who applied during the specified grant application period to be solely expended on projects previously approved in their State plan.

§ 1291.10 Reporting and oversight requirements.

(a) An annual performance report will be required of all State departments' of agriculture within 90 days after the completion of the first year of the project(s), until the expiration date of the grant agreement. If the grant period is one year or less, then only a final performance report is required (See paragraph (b) of this section). The annual performance report shall include the following:

(1) *Activities Performed.* Briefly summarize activities performed, targets, and/or performance goals achieved during the reporting period to meet measurable outcomes for each project.

(2) *Problems and Delays.* Note unexpected delays or impediments for each project.

(3) *Future Project Plans.* Outline work to be performed during the next reporting period for each project.

(4) *Funding Expended To Date.* Comment on the level of grant funds expended to date for each project.

(b) A final performance report will be required of all State departments of agriculture within 90 days following the expiration date of the grant period. The final progress report shall include the following:

(1) *Project Summary.* An outline of the issue, problem, interest, or need for each project.

(2) *Project Approach.* How the issue or problem was approached via each project.

(3) *Goals and Outcomes Achieved.* How the performance goals and measurable outcomes were achieved for each project(s). If outcome measures were long term, summarize the progress that has been made towards achievement.

(4) *Beneficiaries.* Description and quantitative data for the number of